Synopsis
On

A Study On Digital Marketing adoption among MSMEs In Western Uttar Pradesh

DOCTOR OF PHILOSOPHY

In
Pursuance of the Requirement for the Award of the degree of

DOCTOR OF PHILOSOPHY

By

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SECTION 1: Introduction

1.1. Digital Marketing

Google the term "Digital Marketing" and it is amazing to know there are as many as 20,80,00,000 result available in 0.26 seconds of time(accessed on 4 March 2015) ; the link available include web based ,images , news , videos and much more along with search tool like any country , any time , all result and any city specific based on from where you are searching or surfing, now the obvious question is: Is Digital Marketing this important or Google make it important. Well it's a vicious situation like which comes first the egg or the hen. The reality is, neither Digital Marketing in itself is important nor Goggle makes it important. It's the people for whom it is important and its people who make it important and Google take this thing in account and make it available. The opposite situation also exist that because Digital Marketing is easily and widely available on electronic media; it becomes important for people to focus on. Today around 3 billion people are internet user that's making 42.3 % of the total human population. Internet will be on top in terms of population if it is seen as a country. Even Facebook will be a country like India in terms of population as it is having 1billion plus accounts.[CITATION int14 \l 1033]But what is Digital Marketing; as stated by Business dictionary "The promotion of products or brands via one or more forms of electronic media. For example, advertising mediums that might be used as part of the digital marketing strategy of a business could include promotional efforts made via the Internet, social media, mobile phones and electronic billboards, as well as via digital and television and radio channels." [CITATION bus15 \l 1033]

Look at the following Exhibit 1. A study done by Boston Consulting Group and Internet and Mobile Association of India revealed the following data. It can be seen that the customer in II and III tier cities in coming future is completely be internet savvy and if people are internet savvy the business of these cities have to be in digital space so as to capture the customer.BCG and IAMAI has categories Indian population on its behaviour like active aspires and late learners and further categories them on the basis of

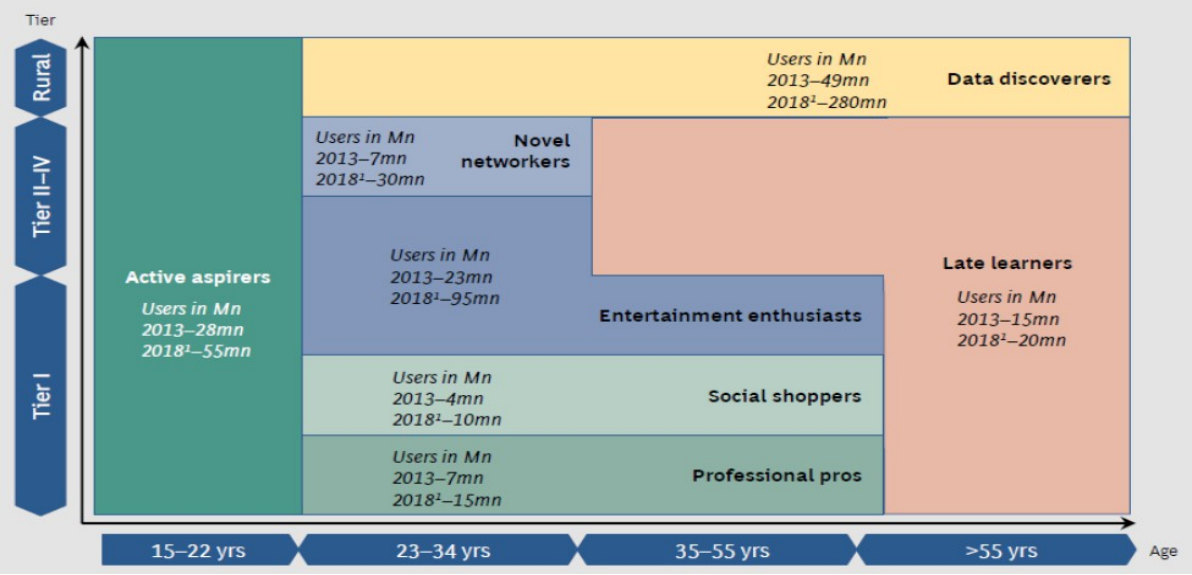


Exhibit 1: Category by Location, Income, Gender and Age
Source: BCG and IAMAI, 2014

their location, income, gender and age. This is great piece of data which can be seen as business opportunities for SME to enter in to this Internet Market and spread the word about their offering. Digital Marketing is the tool to access this open and borderless market regardless you are big brand or small. And it comes at a fraction of the cost of traditional methods of advertising. [CITATION int14 \l 1033]

The proposed research will try to reveal these facts in an empirically and exploratory way i.e. how SMEs of II and III tiers cities are behaving in Digital era. Are Small and Medium Enterprises using Digital Marketing for their business? And are they successful in doing so?

The following section will talk about SME and Digital India; defining SMEs in Indian Context and scope of Digitalization. Next part will cover the Literature Review that describe what factors are important to adopt Digital Marketing by MSME (In Indian context Small and Medium Enterprises, SMEs are called as Micro, Small and Medium Enterprises, MSMEs) and making of Conceptual Model for the same. The Next section will cover the methodology part for the Proposed Research. The Last section will talk about what Chapters will be included in Proposed Research.

1.2. Defining MSMEs

If agriculture is the backbone of Indian economy then Micro, Small and Medium Enterprises will become proud limbs of the Indian Economy. Those limbs which works to generate 45% manufacturing output ; those limbs which produce 6000 kinds of product from simple-traditional to sophisticated-high-tech ;those limbs which make product not only suitable for domestic market but successfully catering the international market also(Ministry of MSME, 2013-2014). According to the current and fourth census published by Ministry of Micro, Small and Medium Enterprises, MSME employed 40% of the work force and comes second after agriculture in providing the employment in the country. From April 2011 to February 2012 the MSME sector generated around 3.25 lakh of jobs. As per the report by ASSOCHAM-India, Indian MSME contribution in GDP (Gross Domestic Product) will be increasing by 22% in 2020 from 17% in 2011.[CITATION EYa14 \l 1033]. Indeed MSME is the triggering point in Indian Economy and having the ability to leap frog other sectors to become the best and undoubtly Technology and Digital Marketing can help them to gain this position.

As the Proposed Research will deal with MSMEs, so it is important to define the MSME/ SME. Following is the summary of how some countries had defined SMEs:

COUNTRY	NO.OF EMPLOYEE	MONETARY/OTHER CRITERIA
USA	Under 100	Less than $ 5 million annual sales
European Union	10-49	Annual turnover or global balance less than 10 million Euros + Independence (Not exceeding 25% of the capital or voting rights withheld by one or more companies (or public bodies) which are not themselves SMEs)
Canada	500 in manufacturing and 50 in service	Less than $ 5 million annual sales
Australia	Under 20	None
Mexico	Under 50	None
Thailand	Under 200 in labour intensive Units	None
Turkey	10-49	None

Table 1: SMES as per different Countries
Source:Adapted fromEl-Gohary, 2010

It can be easily noticeable that there is no permanent and complete definition of MSMEs and their scope depends on country in which it operates .In India as per Development Commissioner-MSME the definition of MSME is as follows:

"In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two Classes:
(a) Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise is defined in terms of investment in Plant&Machinery.

(b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 are as under:

Definition of MSMEs in India

Manufacturing Enterprises – Investment in Plant & Machinery		
Description	**INR**	**USD($)**
Micro Enterprises	upto Rs. 25Lakh	upto $ 62,500
Small Enterprises	above Rs. 25 Lakh & upto Rs. 5 Crore	above $ 62,500 & upto $ 1.25 million
Medium Enterprises	above Rs. 5 Crore & upto Rs. 10 Crore	above $ 1.25 million & upto $ 2.5 million

Service Enterprises – Investment in Equipments		
Description	**INR**	**USD($)**
Micro Enterprises	upto Rs. 10Lakh	upto $ 25,000
Small Enterprises	above Rs. 10 Lakh & upto Rs. 2 Crore	above $ 25,000 & upto $ 0.5 million
Medium Enterprises	above Rs. 2 Crore & upto Rs. 5 Crore	above $ 0.5 million & upto $ 1.5 million

Exhibit 2: MSME in Indian Context
Source: (Development Commissioner MSME)(Mathew, 2014)(RBI) (MSME, 2014)

1.3. Business @ Digital India

Now let's have a look at how friendly is Indian population with Digital World, A recent report publish in January 2015 prepared by Boston Consulting Group(BCG) and Internet and Mobile Association of India(IAMAI) had sum up following facts .The report titled India@Digital.Bharat disclosed data related to

the rising and changed face of internet user in India

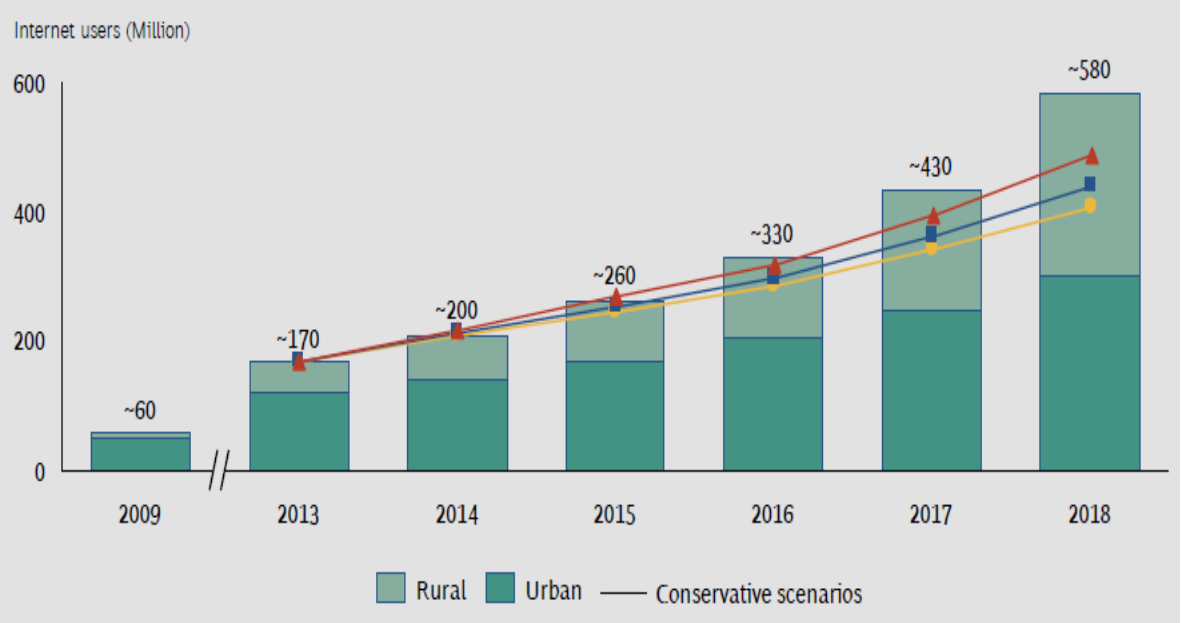


Exhibit 3: Internet Population of India
Source: BCG and IAMAI, 2014

It can be seen from Exhibit 3 that during 2009 the internet population is somewhere 60 million reaching around 200million as of 2014 ,compare to just 7 million internet user in 2001 i.e. the internet population increased 25 times in last 12 years. The internet population estimated to reach half billion in 2018, making India the second largest population of Internet users in the world.

Other relevant Facts are as follows:

- Today, ~40 million Indians are online every day, spending ~40-45 hours over the Internet per month.
- India is the second largest market for social networking giants such as Facebook and LinkedIn; 58,000 new users get connected on to a social network every day.
- India has one of the largest and fastest growing populations of Internet users in the world—190 million as of June 2014 and growing rapidly.
- India already has the third largest Internet population in the world today, after China with 620 million and the US with 275 million.
- India already has 100 million active Facebook users today, the second largest number after the US and Canada with 152 million.
- The growth in the Internet base in India has been exponential. It took 20 years from the introduction of the Internet to reach 100 million users. The second 100 million will likely be reached within three years, and the third in less than a year. In fact, the next four years will see nearly 350 million additional Internet users(BCG and IAMAI, November 2014)

But this is just the glimpse of internet usage, the query is: Is something commercially vital happening on internet? For businesses commercial importance is prime so let's have a look on some other facts also: A research conducted by Boston Consulting Group titled "Capitalizing on India's Digitally Influenced Consumers: From Buzz to Bucks". Exhibit 4 is a collection of data showing that Indian internet users are mostly online for pre-purchase stage in a purchasing cycle around various categories of product. BCG has identified as many as 30 product categories from Air travel to TV to Restaurants to Cosmetics to various Insurance where Indian customer use Internet for Product Information, Price Information, Store Location, Accessing Purchase Coupons, Ordering , Making Payments, Information on Product Use and much more. There is more usage of Internet for searching Product Information and Price Information (more than 30 %) then usage fall down for searching Store Location, Accessing Purchase Coupons, Ordering (in the band of 21% - 30%) some exception are there like Air travel show high usage(more than 30%)of internet for Ordering and Payments. So there should be no question in to why MSME should not be Digital and use Digital Marketing tools to establish themselves..

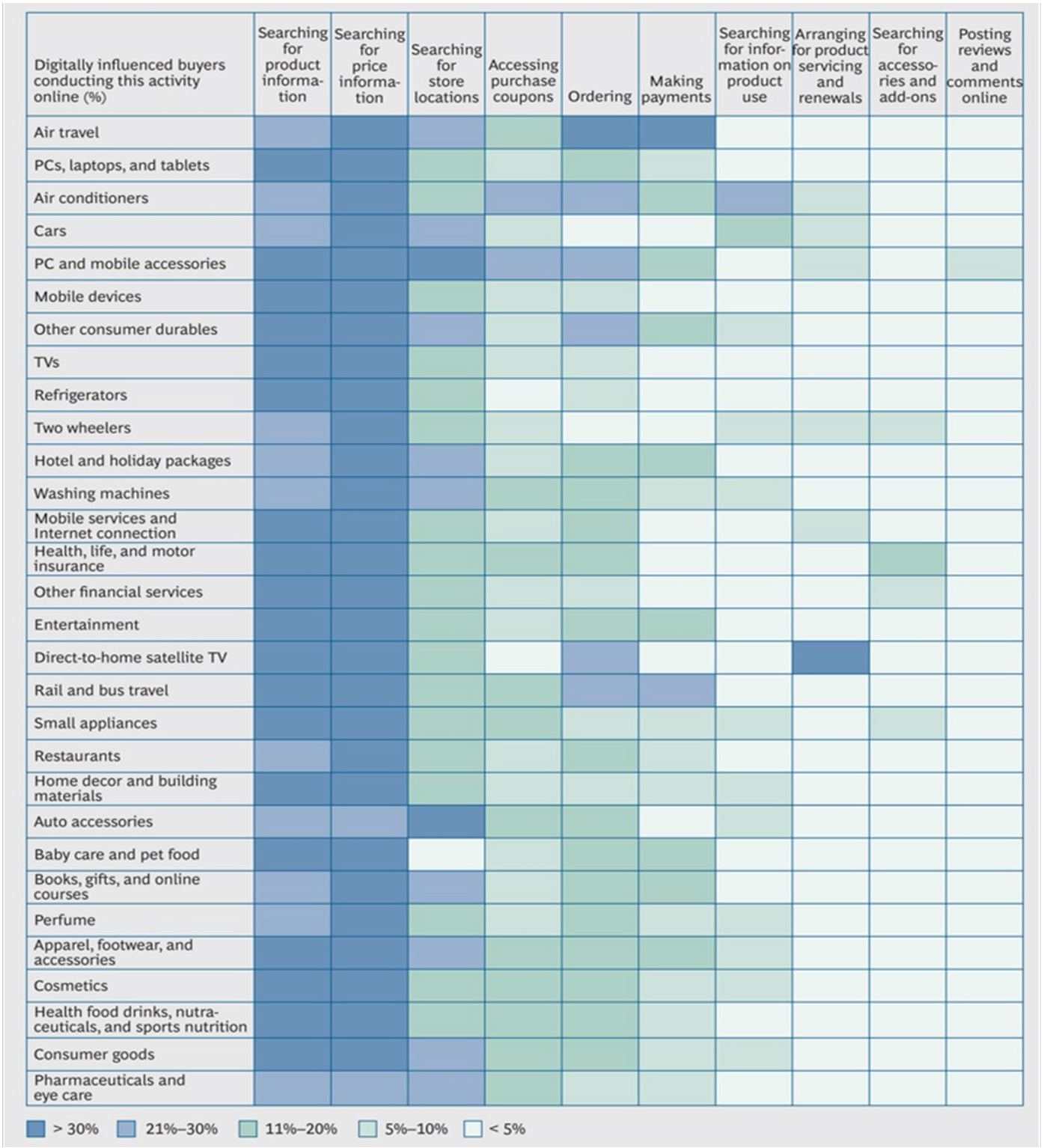

Digitally influenced buyers conducting this activity online (%)
Searching for product information
Searching for price information
Searching for store locations
Accessing purchase coupons
Ordering
Making payments
Searching for information on product use
Arranging for product servicing and renewals
Searching for accessories and add-ons
Posting reviews and comments online
Air travel
PCs, laptops, and tablets
Air conditioners
Cars
PC and mobile accessories
Mobile devices
Other consumer durables
TVs
Refrigerators
Two wheelers
Hotel and holiday packages
Washing machines
Mobile services and Internet connection
Health, life, and motor insurance
Other financial services
Entertainment
Direct-to-home satellite TV
Rail and bus travel
Small appliances
Restaurants
Home decor and building materials
Auto accessories
Baby care and pet food
Books, gifts, and online courses
Perfume
Apparel, footwear, and accessories
Cosmetics
Health food drinks, nutraceuticals, and sports nutrition
Consumer goods
Pharmaceuticals and eye care
> 30%
21%–30%
11%–20%
5%–10%
< 5%

Exhibit 4: Online Activity in the Stage of Purchasing Cycle
Source:Boston Consulting Group, 2013

SECTION 2: Literature Review

2.1. Adoption Model

In literature there has been number of model to explain adoption of new technology namely Diffusion Of Innovation (DOI) by Rogers in 1995, Technology Acceptance Model (TAM) by Davis in 1986-1989, Theory of Planned Behaviour (TPB) by Ajzen in 1985, Unified Theory of Acceptance and Use of Technology (UTAUT) by Venkatesh and others in 2003 and the famous Technology Organizational and Environmental context (TOE) framework by Tornatzky and Fleischer in 1990 (Martins, 2011),some at firm level and some at individual level. The synthesized Literature review shows mostly studied model is TOE DOI and TPB. In the proposed research work, to develop the conceptual model the same model are in consideration the Technology Organizational and Environmental (TOE) framework and (DOI) Diffusion of Innovation along with a combined model known as Institutional Theory.

2.2. Reviewing the different Studies

[CITATION Yud15 \l 1033]This study aims at exploring the factors affecting the adoption of mobile commerce by integrating the variables of Unified Theory of Acceptance and Use of Technology (UTAUT) and Task Technology Fit (TTF). The hypotheses resulting in significant effect are performance expectancy, effort expectancy, and fit toward behavioural intention, as well as task characteristic toward fit and behavioural intention toward adoption.

[CITATION Gir14 \l 1033] In order to propose a model author relay on TOE model to study impact of organizational factors on E-Commerce Implementation in Indian MSME sector.

[CITATION FIC14 \l 1033] This is one of the latest reports by FICCI – confederation` of MSMEs talking about benchmark for the technology adoption among MSMEs. It gave numerous numerical data about

MSMEs operating in India. The report is also based on TOE model taking factors such as technology, entrepreneur, Infrastructure and Capital.

[CITATION Lan14 \l 1033]This paper review related studies on SMEs barriers to adopt technology; Based on TOE model author studied the factors that are related to adoption of the emerging social media-marketing.

(Patrick Y. K. Chau, 2014) Author used the Inter-organizational system Model to study the adoption factors for (EDI) Electronic Data Interchange. The results indicate that like other IT adoption, decisions to adopt EDI are not primarily based on the characteristics of the technology itself but are also dependent on other factors related to the internal organizational readiness and the external environment.

[CITATION SFo17 \l 1033] Based on TOE this paper assess the impact of organizational, manager and environmental characteristics on SME utilization of the Facebook Events Page. Results of a hierarchical logistic regression indicate that firm innovativeness, firm size, manager's age and industry sector all have a significant impact on social media adoption.

(Mochoge, 2014) Through the theory of planned behavior and diffusion of innovation this study indicated that perceived ease of use, perceived usefulness positively determine the adoption of web-based marketing services, while perceived cost negatively affected adoption of webbased marketing services.

[CITATION Sye14 \l 1033] In examining the determinant that affect adoption of e-commerce the author relay on TOE model. The finding show that e-commerce adoption within Malaysian SMEs is affected by perceived relative advantage, perceived compatibility, managers/owner's knowledge and expertise, management characteristics and external change agents.

[CITATION Ahm13 \l 1033] This study indicates that perceived usefulness and perceived ease of use positively affect the adoption of country-specific business websites. Furthermore, perceived company

image in a foreign market and perceived transaction benefits were found to be significant antecedents of the perceived usefulness of country-specific business websites.

[CITATION Bou13 \l 1033]This paper aims to empirically explore the TOE factors influencing SMEs' adoption of Enterprise Applications (EA). Results indicate that technology, organization and environment contexts impact SMEs' adoption of EA. This suggests that the TOE model is a robust tool to predict the adoption of EA by SMEs.

[CITATION Nob13 \l 1033]A five-dimensional structure, based on DOI and TAM model is conceptualized for understanding the SMEs' decisions to adopt e-marketing. Perceived ease of use (PEOU), external pressure, mission, job performance, resource availability and compatibility were found to be significant drivers of e-marketing adoption.

[CITATION Kil13 \l 1033] Based on DOI and TAM model author researched that Internet Marketing(IM) and its adoption is quite good by SMEs in the Northwest of Ireland because of the factors like advantages, ease of use, micro and macro influencers, business readiness and knowledge. The findings indicate that IM activity has a strong positive impact on the SMEs marketing performance.

[CITATION Eur13 \l 1033]This report examines social media use by SMEs. It employs a mixed-method approach, including a survey of 600 SMEs in six EU Member States, to gather insights from various sources. Those SMEs that use social media appear to be better off financially than those that don't, though not necessarily in manufacturing. For SMEs that use social media, concerns about their employees' behaviour constitute the main barrier to continuing this use. On the other hand, lack of financing is not considered a barrier.

[CITATION Deb12 \l 1033]This paper extends the use of the Unified Theory of Acceptance and Use of Technology (UTAUT) to explain social media adoption by micro businesses It is found that the major constructs of performance and effort expectancy played an insignificant role, and social influence and

facilitating conditions did not influence the behavioural and adoption intentions of social media by micro business owners.

[CITATION Iry12 \l 1033] This study extends the technology acceptance model (TAM) to explore the role of social influences in the context of SNM(Social Networks Marketing) technology adoption by small and medium companies .The findings showed that adoption of SNM is strongly influenced by social influences from experts, competitors, and customers. These social influences affect intention to adopt this new technology both directly, and by affecting the perceptions of the technology usefulness.

[CITATION Xia12 \l 1033] TOE framework is used to define critical determinants for the adoption of e-market in Australian small-and-medium sized enterprises (SMEs). A positive relationship is identified between the perceived direct benefit, top management support, external pressure, trust and the adoption of e-marketing Australian SMEs. The top management support emerges as the most critical determinant. The perceived indirect benefit, size and organization readiness, however, do not show a significant influence on the adoption of e-marketing Australian SMEs.

(Martins, 2011) This paper is a literature review on various model used for technology adoption at firm level giving detail specifically for Diffusion Of Innnovation, Technology .Organisational and Environmental Context framework along with some combined Model based on these models.

[CITATION Ane11 \l 1033] In exploring the factor for e-commerce adoption author followed DOI and TAM Model. The significant determinants of E-commerce adoption by Malaysian SMEs are relative advantage, compatibility, organizational readiness, manager's characteristics, and security.

[CITATION Che11 \l 1033]A research model that contains seven independent variables segregating in four d categories namely environmental ,organizational, technical and individual. The model is based on DOI and TOE model considering the variable like competitor's pressure, customer's pressure, growth

aspiration, relative advantage, implementation cost, and security. The dependent variable, Internet adoption, is measured as the relative frequency of these variables.

[CITATION Ric11 \l 1033]Of the possible sources of value investigated, the strongest evidence is that novelty, efficiency, the firm's strategic intent, firm practices, public practices are producing value for the restaurant. There is less evidence of value produced through lock-in or complementarities. Additional sources of value were also identified that were not included in the original conceptual model. As yet, this case study has not revealed any evidence of an effect on firm performance.

[CITATION Meg11 \l 1033] This research through TOE model and multiple case studies, proposes that though e-Commerce has its own unique value propositions and benefits, the adoption of m-Commerce will be a more feasible option than e-Commerce for MSMEs in India. The study provides insights into the drivers of m-Commerce and inhibitors of e-Commerce adoption in emerging markets, thus adding to the limited knowledge among both academics and practitioners.

[CITATION Geo09 \l 1033] Author proposes a model of what determines small business website adoption by incorporating small business marketing context along with TOE and DOI model. The conceptualization includes factors like instigators, decision area, influencers operating in industry scenario. Variable included were manager 's marketing ability entrepreneurship and IT knowledge ,perception of website value strategic website development, company factors like its size lifecycle stage and network of business partners and government.

(Rosli Mohamad, 2009) This conceptual paper reports on the extensive review of prior studies pertaining to the e-commerce usage among small firmsand included some important information like research themes, underpinning theories, research approaches, and the context/country of the study.

[CITATION MsK08 \l 1033]This study examines the gap between the importance of perception and implementation of Web Presence as a critical success factor among SMEs in Malaysia. Data was obtained from 158entrepreneurs involved in the Malaysian SMEs. Interviews were also carried out with five SMEs

to supplement the statistical findings. Paired t-test results revealed significant differences between web site adoption patterns between SMEs in the manufacturing and the service sector.

[CITATION Hon \l 1033] In this study author has proposed a model based on DOI and TOE Model which included the factors like organizational, innovation, environmental and managerial for the adoption of electronic commerce among SMEs in Brunei Darussalam. Findings indicate that owner characteristics like lack of perceived benefits, lack of knowledge and skill, perceived lack of trust are significant inhibitors while environment characteristics like competitive pressure, government support and infrastructure are significant motivators of electronic commerce adoption.

[CITATION Dar07 \l 1033] This study looks into the nature of the relationships between market orientation, company performance and website adoption using 117 website adopters and 102 non-website adopters as sample data from Iranian SMEs. Narver and Slater's scale (MKTOR) for market orientation, Weerakoon's Multi-Model Performance Framework (MMPF) for business performance and Technology Acceptance Model (TAM) for website adoption are tested and used.

[CITATION Tin07 \l 1033]By drawing upon multiple streams of theory building, the paper is able to develop a set of measurement instruments to assess the fit and viability in adopting mobile technology. The findings demonstrate that the Ft-Viability Model (FVM) provides useful guidelines for enterprises in their decisions on whether to adopt a mobile technology.

[CITATION Pam07 \l 1033] Based on TAM model author proved the importance of perceived usefulness in adoption of web-enabled transaction processing by small organizations. For the research author had included contextual factors, such as IS maturity, organizational factors, and environmental characteristics on the perceived usefulness and adoption of web-enabled transaction processing by small businesses.

[CITATION And06 \l 1033]A survey of 89 SMEs without websites was used to test a model hypothesizing relationships among: perceived benefits, perceived pressure, organizational readiness and intent to adopt a

website. Survey findings indicate perceived benefits (strategic and informational), organizational readiness (IT resources) and internal pressure directly affect intent to adopt.

[CITATION Fer05 \l 1033]An alternative multidimensional framework is proposed that combines three different dimensions of organizational change (process, content, and drivers). The content or categories of the dimensions are defined and justified. A study of 192 web sites and their evolution is described. This helps to demonstrate the relevance and applicability of the dimensions of the framework.

[CITATION Sco \l 1033]Author has used 26 factors consolidated from earlier research to determine the level of influence from adopter. The analysis compares perceived differences among factors for SMEs that have adopted a business website, those that intend to adopt and those that will not adopt. Sixteen of the factors were found significant, ten as incentives and six as barriers. The only consistent factor across all groups was cost – perceived as a barrier

[CITATION JVa03 \l 1033] In this paper the author primarily concentrate on those SMEs that had already adopted technology in order to identify their needs for the new Mobile Data Technologies (MDT)

[CITATION The \l 1033] Paper prepared under special topic in international marketing to conceptualize the model for internet adoption considering the factors like environmental , organizational and Innovation characteristics

[CITATION Ome \l 1033] In this paper author postulated a model based on TOE and TAM that contains 10 independent variables under three broad categories — innovation, organizational and environmental characteristics. The dependent variable, adoption of information and communication technologies, is measured as the degree of adoption of four modern communication technologies by the organization in rural communities of US.

		SCENERIO		MODEL												ENVIRONMENTAL		ORGANISATIONAL		TECHNICAL			INDIVIDUAL
S.no	AUTHOR / PUBLISHING AUTHORITY	ational	International	IFFUSION OF INNOVATION DOI)	ORGANISATION AND NVIRONMENTAL MODEL TOE)	NTERORGANISATIONAL YSTEMS (IOSs)	ODEL(WAM)	ODEL(TAM)	EHAVIOUR(TPB)	NIFIED THEORY OF CCEPTANCE AND USE OF ECHNOLOGY (UTAUT)		ODEL			OMPETITORS' PRESSURE	USTOMERS' PRESSURE	ROWTH ASPIRATION	ARKETING CONTEXT				T KNOWLEDGE/ EXPERIENCE
1	PRASARRY,ASTATI & SUYADI,2015		√							√			√										
2	AHMAD et.al.,2014		√		√										√				√				√
3	BAGALE,2014	√			√										√				√				
4	CHAU &HUI ,2014		√			√																	√
5	FICCI-CMSME & ACDS ,2014	√			√																		
6	FOSSO & CARTER,2014		√		√																		√
7	LANGGAT,2014		√		√																		
8	MACHOGE,2014		√	√	√				√												√		
9	BATIKAS et.al.,2013		√		√			√							√								
10	DLODLO & DHURUP,2013		√	√				√															
11	DARYANTO et.al.,2013		√				√												√				
12	KILMARTIN,2013		√		√			√															
13	RAMDANI,CHEVERS & WILLIAMS, 2013		√		√										√	.							√
14	ALSHAMAILA, PAPAGIANNIDIS & LI, 2012		√		√										√			√	√				√
15	DUAN, DENG & CORBITT,2012		√		√										√								
16	KOK et.al.,2012		√	√	√											√							
17	MANDAL & MCQUEEN,2012		√							√													
18	PENTINA,KOH & LE, 2012		√					√															√
19	ALAM, ALI & MOHD JANI,2011		√	√				√												√	√		
20	JAIN et.al.,2011	√		√	√															√			√
21	RICHARD,PAUL & SUSSIE,2011		√								√												
22	OLIVERIA & MARTINS ,2011		√	√	√	√		√							√								
23	MOHAMAD & ISMAIL,2009		√	√	√			√							√								
24	LOOI,2008		√	√	√										√					√	√		√
25	NARAYANASAMY,SANTHAPPARAJ & EZE, 2008		√	√																			
26	SIMMONS, ARMSTRONG & DURKIN, 2008		√										√						√			√	√
27	DARABI ,2007							√	√										√				
28	DEMBLA,PALVIA & KRISHNAN,2007		√		√			√															
29	LIANG, HUANG & YEH,2007		√											√									
30	GEMINI, MACKAY & REICH,2006					√																	
31	MENDO & FITZGERALD,2005		√											√								√	
32	WYMER & REGAN, 2005		√		√																		
33	AKKEREN & HARKER,2003		√	√	√										√	√							√
34	NISSEN & WIERTZ,2001		√	√	√			√							√	√	√	√	√	√	√		
35	PREMKUMAR & ROBERTS ,1999		√		√			√							√				√				

Exhibit 5 :Synthesised Literature Review

SECTION 3: Overview of Proposed Research

3.1. Need for Study

The world is rotating on technological axis and revolving around the digital system and soon the whole business dynamics is going too engulfed in this digital galaxy. The world is moving from web 2.0 and entering in web 3.0 – the all new amazingly superfast and interactive digital spell .In Indian context we are bit slow but at every level we all are trying to be part of this digital galaxy . Companies like Apple to Samsung all are serving this technology in India and as a service provider whether it is Airtel or BSNL all are trying to capture each and every Indian individual .We as customer also, whatever the need is: food, clothing or shelter, we go for visiting the websites of the companies. The social media enable companies, not only to communicate but to interact with their customers. Companies/brands like Cadbury and Nike, all are on Facebook and successfully completing the campaigns to suggest new flavours and designs to suite GLOCAL (Global companies catering Local country preferences) opportunity. Even the YouTube becomes today's necessity whether it is a launch of product or ad release of company all you want to do is upload the video on YouTube. Well the main things in all these instances are the big names or brands so question is: *Is the digital system works for local brands in small cities also*. There is some instance in this area also like the success of various Start Ups in India- all thanks to this digital system (see Introduction). Even a teenager by launching a video channel *cooking-shooking* on YouTube becomes a popular chef holding lakhs of subscribers. An eight year old Evan is the kid behind EvanTubeHD, (www.youtube.com/user/EvanTubeHD) which is a family-friendly YouTube channel where Evan (and occasionally his sister or mom) reviews toys and video games. Evan earned $1.3 million a year from posting his toy reviews to YouTube, have millions of subscribers. So if a child can earn millions, think about the businesses there is so much of scope for small and local brands in this digital system, thus giving rise to need of this study:

1. Digital Marketing is a successful concept for big brands in India, whatis the effect on local and small brands in small cities.
2. What tools and components should be used by these local and small brands so as to fully exploit the Digital Marketing?

3.2.Objectives

The objectives of this research are:

Objective 1: To study present status of Digital Marketing as practiced by MSMEs.

Objective 2: To identify factors that influences Digital Marketing Adoption by MSMEs.

Objective 3: To compare the perceived and actual, benefits and barriers of using Digital Marketing.

Objective 4: To develop a Strategic Business Model for adoption of Digital Marketing by MSMEs.

3.3. Scope of Study

Area of survey will be Agra and Aligarh Region.

The current government of Uttar Pradesh has proposed an industrial venture and submitted a report to World Bank with a proposal amount costing Rs1720 cr for industrialization of Uttar Pradesh(Dainik Jagran, 3 Feb 2015, front page) .The same report segmented Uttar Pradesh in following three major industrial regions:

- Agra- Aligarh
- Kanpur - Auraiya
- Allahabad –Varanasi

For the study Agra –Aligarh region is selected as firstly this region is one of the major industrial regions of Uttar Pradesh as mentioned in UPIRP (Uttar Pradesh Industrial Revitalization Project) and UPSIDC (Uttar Pradesh State Industrial Development Corporation) and secondly this study is not done in this region. Thirdly Agra –Aligarh is abundant with small business which is the working area of this study. Lastly Industrial Profile of district in this region is available by MSME Development Institute, Agra which was prepared under the Government of India, Ministry of MSME.

3.4. Research Methodology

3.4.1. Hypothesis Construction

3.4.1.1. Dependent Variable: Adoption Option

Digital marketing has number of benefits for small or big firms this is because digital marketing offer number of application which can be utilized by firms depending on involvement, complexity, cost goal etc. Vasanth and others (2012) had listed digital tools which can be utilized by small firms. (Rita Walczuch, 2000) used a quite extensive list questioning for the ways company use internet. A similar explanation can be find in the proposed model given by Nissen(2001) that there are so many option which internet and thus digital marketing offer . A basic differentiation of companies online ,according to only access and having a site online ,was made by Walczuchbut this division is very retricted. A more generic classification can me made depending on what is the basic benefit of particular digital tool like internet can be used as plain access thus become informational and website can be used for representaion and infromation, for procuement and sales e-commerce is in use and for relationship building social media can be utilised.All thes element are addressed by many authors umknowingly or sometimes in a unsystematically manner . See for example in synthesised taxanomy of Literature review authors work is categorised as per various Digital Tool which they had studied and unknowingly given the description of one or many a Digtial option.It can be summarised as follows

DIGITAL TOOL	PURPOSE
Website	Information, promotion
e-commerce	Sales, financial transaction
m-commerce	Information, reach,promotion
Plain access	Information
Social Media	Relation-ship building, word of mouth
Infromation Communication Technology	Digitization

Table 2: Tools and their Purpose
Source : Synthesised Literature Review

So adoption Option is needed to be considerd for adoption by MSMEs.

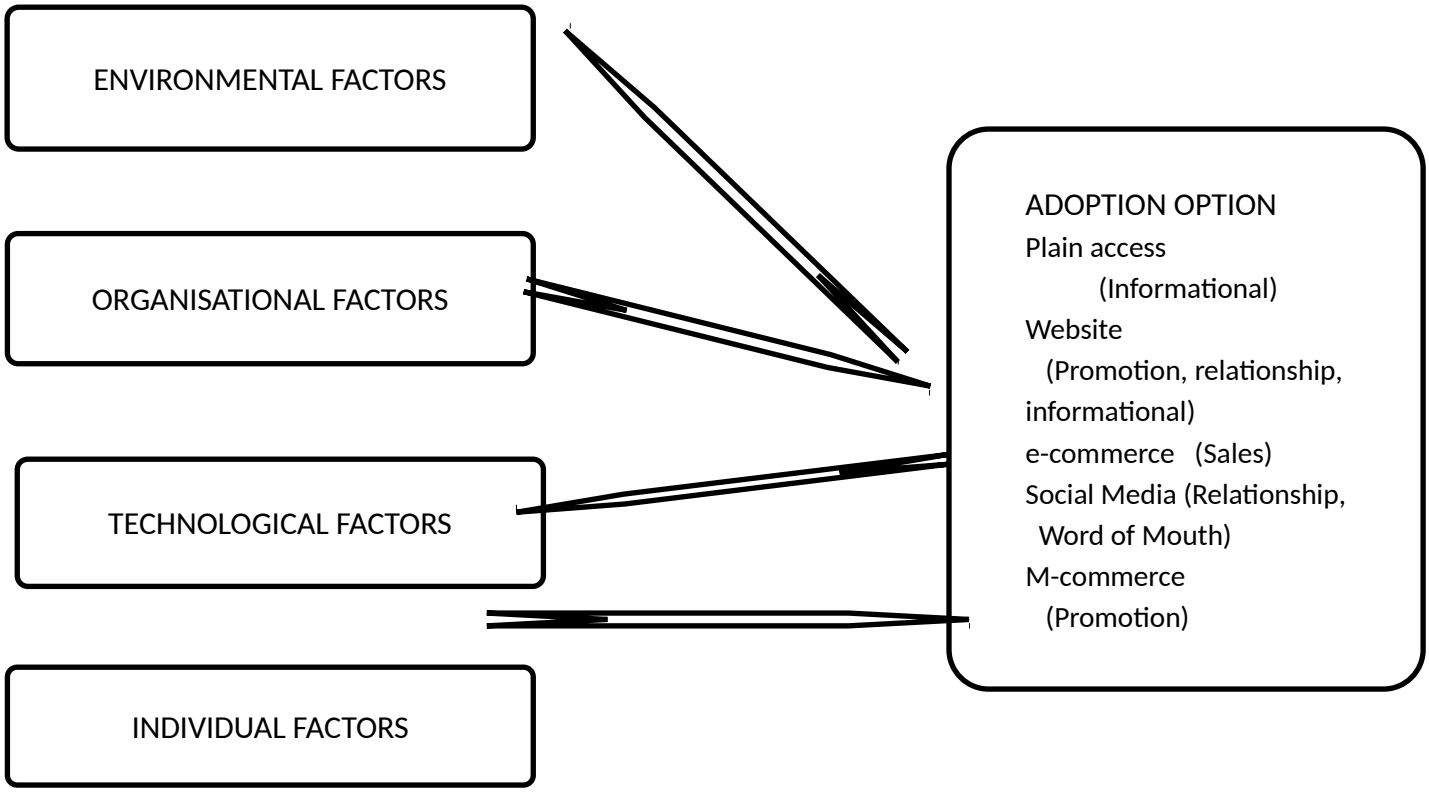
3.4.1.2.Independent Variables : Adoption Factors

As stated in section 3.1 the proposed model is based on DOI (Diffusion of Innovation) Model, TOE (Technology, Organization, and Environment) Framework and Institutional Theory. The main factors of adoption taken into consideration are Environment, Organization, Technology and Individual. The following Table shows the collection of studies that bring out the positive relationship between these factors and adoption and framed the major Hypothesis for it.

FACTORS	**STUDIES THAT SHOW POSITIVE RELATIONSHIP WITH ADOPTION**
ENVIRONMENTAL	Simmons, Armstrong & Durkin, 2008;Gemini, Mackay & Reich,2006; Chau&Hui ,2014;Oliveria& Martins ,2011;FICCI-CMSME & ACDS , 2014;Ramdani,Chevers& Williams, 2013;Premkumar& Roberts ,1999 Mendo& Fitzgerald,2005; Looi,2008; Ahmad et.al.,2014; Bagale,2014; Mohamad& Ismail,2009 ; Dembla,Palvia& Krishnan,2007 ; Wymer& Regan, 2005 ; Richard,Paul& Sussie,2011 ; Langgat,2014 ; Fosso& Carter,2014 ; Jain et.al.,2011 ; Akkeren& Harker,2003 ; Liang, Huang & Yeh,2007 ; Duan, Deng & Corbitt,2012 ; Dlodlo& Dhurup,2013 ; Kilmartin,2013 ; Nissen& Wiertz,2001; Kok et.al.,2012 ; Alshamaila, Papagiannidis& Li, 2012
H1: Environmental Factors are positively related to Adoption Option.	
ORGANIZATIONAL	Chau&Hui ,2014 ; Oliveria& Martins ,2011 ; Ramdani,Chevers& Williams, 2013 ;Premkumar& Roberts ,1999 ; Simmons, Armstrong & Durkin, 2008 ; Looi,2008 ; Ahmad et.al.,2014; Bagale,2014 ; Mohamad& Ismail,2009 ; Dembla,Palvia& Krishnan,2007; Wymer& Regan, 2005 ; Richard,Paul& Sussie,2011 ; Langgat,2014 ; Fosso& Carter,2014 ; Jain et.al.,2011 ; Duan, Deng & Corbitt,2012 ; Dlodlo& Dhurup,2013 ; Kilmartin,2013 ; Nissen& Wiertz,2001 ; Kok et.al.,2012 ; Alshamaila, Papagiannidis& Li, 2012
H2: Organizational Factors are positively related to Adoption Option.	
TECHNICAL	Oliveria& Martins ,2011 ;FICCI-CMSME & ACDS ,2014 ; Ramdani,Chevers& Williams, 2013 ;Premkumar& Roberts ,1999 ; Simmons, Armstrong & Durkin, 2008 ; Machoge,2014 ; Narayanasamy,Santhapparaj&Eze, 2008 ; Looi,2008 ;Ahmad et.al.,2014; Alam, Ali &Mohd Jani,2011 ; Bagale,2014 ; Mohamad& Ismail,2009; Dembla,Palvia& Krishnan,2007 ; Wymer& Regan, 2005; Richard,Paul& Sussie,2011 ; Langgat,2014 ; Pentina,Koh& Le, 2012; Fosso& Carter,2014 ; Batikaset.al.,2013 ; Jain et.al.,2011; Prasarry,Astati& Suyadi,2015 ; Liang, Huang & Yeh,2007 ; Duan, Deng & Corbitt,2012 ; Dlodlo& Dhurup,2013 ;Nissen& Wiertz,2001;Kok et.al.,2012 ; Alshamaila, Papagiannidis& Li, 2012
H3: Technological Factors are positively related to Adoption Option.	
INDIVIDUAL	Oliveria& Martins ,2011 ; FICCI-CMSME & ACDS ,2014 ; Simmons, Armstrong & Durkin, 2008 ; Looi,2008; Alam, Ali &Mohd Jani,2011 ; Mohamad& Ismail,2009 ; Wymer& Regan, 2005 ; Mandal& Mcqueen,2012; Pentina,Koh& Le, 2012;Fosso & Carter,2014 ; Akkeren& Harker,2003 ; Dlodlo&

	Dhurup,2013;Kok et.al.,2012
H4: Individual Factors are positively related to Adoption Option.	

3.4.1.3.Conceptual Model



3.4.1.4. Data Collection

Primary Data: Structured Questionnaires will be the basic tool to collect the first hand data.

Secondary Data: Referenced information will be gathered through Libraries, Internet, Newspapers, Business & IT Magazine and journals.

3.4.1.5. Geographical Region

As mention earlier the need of the study revolved around small brands in small cities and the scope of study is limited to Agra –Aligarh region, so the research is proposed in II tier and III tier cities of Agra-Aligarh region.

- Agra mandal /region is consist of four districts

1. Agra — II tier city
2. Firozabad
3. Mainpuri — III tier cities
4. Mathura

- Aligarh mandal /region is consist of four districts

1. Aligarh — II tier city
2. Kashiram Nagar
3. Etah — III tier cities
4. Hathras

From each mandal / region survey will be done in two cities one being II tier city and another being III tier city .Finally the survey is proposed for the cities where brief Industrial Profile of district prepared by MSME Development Institute, Agra is available, as in these reports the data is official and authentic which will help to give authentic result for the study.

For Agra Region - Agra and Mathura district are selected.

For Aligarh Region- Aligarh and Hathras district are selected.

3.4.1.6. Sampling

Sampling includes Micro, Small and Medium Businesses of Agra-Aligarh region.

3.4.1.6.1. Sample Composition may include the following two types of Enterprises/Businesses. (see Section 2) :

- Manufacturing Enterprises/Sector
- Service Enterprises/Sector

3.4.1.6.2. Sampling Technique

- Judgmental and Stratified Random Sampling.

3.4.1.6.3. Sample Size Calculation

Based on calculation of sample size (refer Appendix), the preliminary sample size is computed to be 270, and it will be the final sample size as finite correction factor is not applicable due to infinite population.As the proposed research will consider Stratified Random Sampling This sample size of 270 can be divided equally in all the strata (16.87 that can be taken as 17).

17 MSMEs from each category making Total of 272 sample units.

MSME of Agra-Aligarh Region								
	Agra District		**Mathura District**		**Aligarh District**		**Hathras District**	
Type of Operation	**Digital**	**Non-Digital**	**Digital**	**Non-Digital**	**Digital**	**Non-Digital**	**Digital**	**Non-Digital**
Service units	**17**	**17**	**17**	**17**	**17**	**17**	**17**	**17**
Manufacturing Units	**17**	**17**	**17**	**17**	**17**	**17**	**17**	**17**
Total								**272**

3.4.2. Statistical Techniques

Relevant analysis tools like Descriptive Statistics, Z-test, Correlation Analysis and other relevant tool shall be used.

3.5. Managerial Implications and Future outcome

Today small businesses are on path of utilizing the Digital Marketing e.g. anyone can check their business website, contact them through e-mail, buy their product or services through e-commerce platform, their website are mobile friendly also, visit their Facebook page, get tweet about them, get connected to their LinkedIn presence, can meet them on Goggle Plus and watch their number of videos on YouTube in addition to it all are great bloggers too. Digital Space is a total opportunity for any business small or big, actually Digital Marketing is providing same platform to all businesses to tap the customer. The logic is simple in physical world customer is tapped by Physical or Conventional Marketing in the same manner in Digital World customer is tapped through Digital Marketing.

Now we can easily connect the pieces together to realize that these days marketing is done Digitally and small business of Indian Metro cities are on DIGITAL path but it is yet to be analysed that how small businesses of II and III tier cities of India dealing with Digital Marketing. The proposed research work is concerned with the adoption of Digital Marketing among MSMEs in II and III tier cities, what factor influence the adoption of Digital Marketing in MSMEs, what are the different barriers and benefits,what tool are more popular among MSMEs to do Digital Marketing and why some MSMEs are still not using Digital Marketing.

SECTION 4: Chapterization

The proposed research work include following chapters:

Chapter 1 – Introduction

Chapter 2 – Literature Review

Chapter 3 – Conceptual framework

Chapter 4 – Research Methodology

Chapter 5 – Data Collection and Analysis

Chapter 6 – Results and Interpretations

Chapter 7 –Conclusions, Managerial Implications and Direction for Future Research

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Appendix

Calculation of sample size

Taking a statistical approach for calculation of sample size, the various quantitative measures to be considered while determining the sample size are as follows:

a) Variability of population characteristics or standard deviation (σ).

b) Level of confidence desired or Z value (taken as 1.96 for 95% confidence level desired).

c) Degree of precision desired in estimating population characteristics (D).

We have considered the following formula for testing hypothesis around mean (Malhotra, 2011).

$$n = \sigma^2 Z^2/D^2$$

Here, n = sample size

σ = Standard deviation
Z = Standard normal variate for 95% confidence level and,
D = Degree of precision desired

In order to obtain a representative and realistic sample size we have compared the results of sample size from 3 scenarios:

Scenario 1- Estimating a low standard deviation and high degree of precision.

Scenario 2- Estimating a moderate standard deviation and moderate degree of precision.

Scenario 3- Estimating a low standard deviation and high degree of precision.

The results are summarized in Table 2

	Scenario 1	**Scenario 2**	**Scenario 3**
σ	**0.1**	**0.4**	**0.5**
Z	**1.96**	**1.96**	**1.96**
D	**0.03**	**0.04**	**0.05**
N	**42.68**	**384.16**	**384**

Table 3: Comparative Analysis Taking Different Values of σ and D.

Average = (n1+n2+n3)/3----------(1)

= (42.68+384.16+384)/3 = 270

Taking an average of the all the three scenarios, considered taking different values of σ and D (refer equation 1), we compute the sample size for our study to be 270.

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